

21 November 1956

Chief, EE

Chief of Base, Berlin

INFO: OOS  
BOWEN

CADREY/Operational

LOCASOCK: Project Outline

REF: A. NEMA 34059  
B. NEMA 35808  
C. NEMA 82495

1. Forwarded herewith are copies of a draft Project Outline for LOCASOCK, prepared by BOW in accordance with Reference C.

2. The financial estimate for the remainder of Fiscal Year 1957 assumes a larger subsidy beginning on 1 January 1957 as follows:

a. Expenses occasioned by the gradual expansion of the Targeted Letter Series and increasing mailing capacity, for which an increase in the monthly subsidy from DM 45,000. to DM 55,000. is suggested.

b. Placing each of the CARDINAL publications on a quarterly basis. The normal (2a above) monthly subsidy includes an issue of either Identity 1, 2, or 3. The fourth item, Identity 4, would supplement one of the other three four times a year. For the second half of FY '57 two issues, @ DM 40,000. each for production and distribution, are suggested.

c. Funds for development of new ideas and techniques.

d. Contingency fund for ad hoc operations.

APPROVED \_\_\_\_\_

WMP:jmw

Distribution:

3 - EE w/atts. NEMWITH & UNSEPCOV  
2 - OOS w/atts. NEMWITH & UNSEPCOV  
2 - BOWEN w/att. UNSEPCOV

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LOCASOCK BASIC PAPERS  
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3. The Planned Year 1958 estimate includes the above changes calculated for twelve months, plus a small increase for salaries and costs.

4. We had originally intended to draft an Administrative Plan to accompany the Project Outline but, after further consideration, came to the conclusion that the Division is in a better position to determine and set up an administrative framework adapted to the operational needs of the project. Below are HM's comments, based on the current Administrative Plan, on changes which appear to be necessary:

a. Funding. Changes in this section are indicated insofar as it conflicts with the funding arrangement - or eventual modification thereof - described in Reference B. Also, the description of the use of HMMAK funds should be brought into line with the new Project Outline.

b. Accounting and Reporting. The use of hand receipts would be overlaid by a funding arrangement. No change in the present accounting and reporting procedure is contemplated.

c. Publishing and Distribution Costs Determination. Again, description of the use of HMMAK funds and the nature of HMMAK control should be brought into line with the new Project Outline. We feel that the statement "There shall be an agreement in writing, if operationally feasible, providing the basis for determining the cost of publication and of distribution of propaganda material, accepted by the Principal Agent and the Chief of Station, or his designee. . . ." is unrealistic and should be eliminated. HMMAK expenditures are under regular scrutiny by all HMMAK personnel concerned. The project operates on a fairly flexible basis in accordance with need and opportunity. There is no real basis for determination of costs other than the going market rate for printing and other services purchased.

d. Receipts and Financial Control. The new funding arrangement probably necessitates a change in receipt procedure. At least two possibilities are suggested: 1) that funds be written off against bank receipts indicating that HMMAK funds have passed into the account controlled by the Principal Agent, or 11) that they be written off against the accounts and certifications submitted on a monthly basis by the Principal Agent to the Case Officer. HM prefers the latter.

\*. Receipt Policy. No changes in this section appear to HM to be necessary.

f. ~~Amplified~~. No changes in this section appear to DGB to be necessary.

5. Finally, we request reconsideration of the ODS suggestion to the effect that laying on the funding arrangement should be contingent on final redocumentation of the project. DGB regards the funding arrangement and the incorporation of CARDINALE as matters of immediate operational desirability. Since these steps involve no particularly significant commitments - financial or otherwise - it is believed that they can be implemented immediately. A few of the considerations are outlined below:

a. Public Relations and political action activities of the project have progressed to a point at which the fictional basis of CARDINALE is inconsistent with its legitimate activities and the growing circle of personalities with which it is associated.

b. Recent thinking on long-range LOCASBROCK development indicates a possible need for its eventually taking part in some form of bona fide commercial activity. So far as CARDINALE is concerned, experimentation and planning in this field can take place only after it has been formally incorporated, gained a basis for commercial activity, and had the opportunity to adapt a body of experience to such activity.

c. Paragraph 4, Reference C, seems to indicate a misunderstanding about the size of the KUBARK commitment involved in the incorporation of CARDINALE. The incorporation of the firm with capitalization of RM 50,000.00 (or some other figure to be determined by the most favorable tax considerations) each does not mean that this sum must be deposited or otherwise set aside. Our intention was that, after incorporation, CARDINALE GmbH would use its RM 50,000 capital stock (Grundkapital) to purchase (in a paper transaction) the present LOCASBROCK inventory of non-expendable goods. The inventory would then become CARDINALE GmbH's capital stock and the cash would then be used for regular operations. [ ] has estimated the total incorporation cost at RM 500- 600, plus advance payment of one year's corporation tax, ca. RM 750. Thus, the total cost to KUBARK of incorporating CARDINALE can reasonably be expected to be less than \$ 500.

6. DGB recommends, therefore, that the funding arrangements be implemented as soon as possible, and requests the addressees' concurrence.

7. CAUTIONY has noted that he could accomplish the formalities of incorporation more quickly and easily if he had about eight weeks notice, during which time he

could arrange with friends and contacts for expeditious handling. We would therefore appreciate receiving from Headquarters an estimate (as soon as one can be made) of the timetable for the steps outlined in Paragraph 3 of Reference A.

6. For [ ]: We would appreciate [ ]'s informing [ ] of the funding arrangement plans before application for the RMK license is made.

[ ] [ ]

**DRAFT PROJECT OUTLINE**  
**LOCASBOOK**

**1. OBJECTIVE:**

- a. To espouse and exemplify, by whatever means are available and appropriate, the virtues of Western democracy;
- b. To study on a relatively academic basis that form of political conflict which excludes direct application of military force and has become popularly known as "cold warfare;"
- c. To analyze current events with a view toward conceiving activities and operations particularly suited to support ODJCKE policy and to contribute to the eventual annihilation of the Communist menace.
- d. To implement those activities and operations of which the LOCASBOOK organization is capable and, in cases where other organizations or individuals are more appropriate, to encourage such activity through liaison, political action, and other available contacts;
- e. To train and build up a body of personnel assets within the project and in political, press, and academic circles who - as sophisticated advocates of Western democracy - are capable of effectively combatting Communism and other forms of totalitarianism.

**2. ORIGIN & POLICY GUIDANCE:**

- a. Origin:
  - (1) Pertinent NSC Documents
  - (2) EE Division Related Mission Directive
  - (3) Project Outline
- b. Whence proposed: The project originated in the field.

**3. SITUATION:**

- a. Eleven and one-half years have passed since the German capitulation, about seven since ODJCKE - after recognizing the need - organized an official

instrumentality to combat Moscow Communism by clandestine and non-conventional means. Since, in 1949, they had little tradition or body of experience, theory, and practice in conspiratorial conflict, the Western standard bearers attacked their problem by turning to the most immediately available experts and authorities:

- i) Trotskyists, renegade Stalinists and other experts on Communist theory and practice; and
- ii) the large body of written information on Russian revolutionary theory and practice.

In the atmosphere of pressing need for defense, the first KUCAGE operations in Germany were launched. Their target was the monolithic and formidable menace of Stalinist Communism. Strongly influenced - consciously and sub-consciously - in their own tactics by the enemy's methodology, KUCAGE supported individuals and organizations set about mobilizing a defense against the attack. It followed quite logically from this introduction that the watchword for KUCAGE undertakings in the first phase of the cold war became "anti-Communism."

b. The first KUCAGE undertakings were necessarily experimental, bringing both successes and failures. But after five years and the lessons of the June 17th Uprisings, all concerned have begun to recognize the benefits of their brief experience and to alter their attitudes accordingly. A number of ideas and principles have taken recognizable shape:

(1) Under West German and West Berlin circumstances, the most workable instrumentalities for KUCAGE operations targeted at denied areas proved to be overt organizations which have sound legal foundation and are generally known and accepted by the public. In practice this necessitated reassessment of security implications for CUBURE and contributed to forming the doctrine of "plausible denial."

(2) A new complex of required skills and tradecraft has begun to evolve which overlaps only in a limited sense with commonly accepted principles of KUFIRE tradecraft.

(3) The theoretical and operational relationships between KUCAGE and KUPINE have gradually become regularized to the satisfaction and advantage of both.

(4) Post World War II history has shown that the Communist dominated peoples basically desire the rights of self-determination and freedom, not a modified or "titoistic" form of totalitarianism.

(5) An effective psychological operation, though perhaps directed at a specific and limited target, must be conceived in the framework of world events.

(6) A given Soviet satellite is sensitive to conditions and events in other satellites, and there are significant differences between them. This suggests that satellites can effectively be played off one against the other and that an "all-Soviet-Block" approach by a single instrumentality can, in particular operations, be preferred to the approach in which each instrumentality is assigned and limited to a single area.

(7) Whatever the pattern of success and failure in the seven years of KUCAGE's past, it must be remembered that - in comparison with the highly developed arts of conventional warfare or espionage - "cold warfare" is still in the embryonic stage. Primitive methods are being used, and techniques for evaluating the effectiveness of one operations versus the next have not yet developed. Hence, in this field as in the technological development of other weapons, dissatisfaction with present activities and the search for new methods and techniques are of utmost importance.

c. While experience was being gathered by KUCAGE and KUPINE instrumentalities, the free world as a whole had reacted to the Communist threat: The defensive alliances (e.g. NATO) arose; distrust and extreme animosity were inspired. Beginning with "Containment," Western policy progressed to the "Policy of Strength," and - precipitated by Stalin's death - led to the changes announced in February 1956 at the 20th Congress of the Communist Party of the Soviet Union. The reasons for these changes are not yet clear, but there is no doubt that they have resulted

in significant threats to Moscow control of certain satellite areas. This conference marked the culmination of several developments which John Foster Dulles has described as "the end of the first round of the cold war:"

- i) Monolithic Stalinist Communism has passed to rather unpredictable leadership which aspires to coexistence, economic parity with the Western world, and the impression that the Soviet Bloc is governed by a "democratized" and non-malignant form of Communism.
- ii) "Cold Warriors," KGB/SM personnel and certain of their indigenous colleagues, have begun to define their profession, to recognize its possibilities and its limitations, and to accumulate a usable body of knowledge and experience. With these advances they have begun to develop new standards for evaluation and success, confidence and courage of newly developed convictions, and the ability to make constructive contributions to political analysis and policy formation.
- iii) The turning point in the ideological conflict between East and West has been reached and, whether prepared to exploit it or not, the initiative has passed to the West.

d. Taking the offensive brings with it a responsibility for the formulation of a positive objective - a complex task which "cold warriors" have hitherto not been called upon to solve and one whose solution involves many complications. Clearly, the watchword "anti-Communism" has been superseded, but its replacement is still the subject of considerable confusion. In Germany, particularly, the Western need for a defensive concept against the aggressive dogma of bolshevism has very often been confused with a search for a "counter-dogma," an "anti-" to be held up against Communism. Because the issues of the ideological conflict have been of vital urgency, it has been possible for dogmatic forces opposing Communism to gain significance in the face of a lack of ideas on how otherwise to combat Communism.



e. Of course political Catholicism is an absolute enemy of Bolshavism and, along with the social democrats who have a fraternal hate of Moscow Communism, forms the basis of a good alliance in the ideological struggle against Moscow. Each is well suited because its dogma has the inclination toward totalitarianism. But, in mobilizing alliances for an attack on Moscow Communism, the means should not be confused with the objective. In seeking a peaceful world order of free and democratic states, FEFERINE cannot depend on a "struggle of dogmas one against the other" (which leads to the inconclusive state of exhaustion that followed the Thirty Years War, and is an embittered fight to the death.), but rather an understanding of democracy itself, its means and methods, and a clear conception of what is to be achieved.

f. Remote as the objective may seem, it assumes decisive importance when the West abandons "anti-Communism" to mount the offensive. (Our opponents have clearly demonstrated the drawing power and importance of an objective which is remote, if not unattainable.) It then becomes necessary - particularly in the German context - to consider which of the following is the Western objective:

- i) to conquer and occupy the Soviet Union militarily;
- ii) to convert it to democratic socialism;
- iii) to convert it to a dogmatic (e.g. Roman Catholic) form of Christianity; or
- iv) to prepare the way for the East European and Asiatic peoples toward freedom and self-determination.

The choice of iv) above is so obviously self-evident that it appears platitudinous. However, it is of basic significance to KUCAGE for several reasons: It is elementary and has universal appeal. Proclaimed by ODFOKE, it manifests sincerity and proof by example. It is one of the very few policies which can be accepted without qualification. Thus - while partial modifications of Communism may be sought as intermediate goals and while tactical alliances with dogmatic or totalitarian forces may be entered into - this basic objective should be kept before the public eye and in the mind of the ODFOKE "cold warrior."

g. The formulation of a positive objective suggests another backward glance at the first years of PERDINE's cold war efforts. As already suggested above, the first Western refuge was study by all available means of the enemy's techniques, largely because he, as a result of his impressive successes, was regarded as the world's foremost expert in cold warfare. This reaction is understandable and suggests why - in its early stages - the PERDINE efforts resembled the Communist pattern. Russian revolutionary practice emphasizes conspiracy, coercion, and clandestine operations. An argument can be made to show that CORDON tended to overemphasize clandestine operations in its reaction to the Communist attack. The principles of centralized control and guidance found certain resonance in PERDINE planning and mass operations. "Agitprop Sections" of the Communist parties have, perhaps, led KUCAGE personnel to overemphasize the value of political organizations and printed matter. And probably most significant, the pet philosophy of Moscow Marxism inspired many genuine, but misguided, democrats to seek a single philosophy or ideal which expresses the bones of Western Civilization.

h. The realization afforded by the passing into the second phase of the ideological conflict is that concentration on the enemy's techniques has tended to result in the overlooking of potent psychological weapons which originate in, and are peculiar to, the free world. The mobilizing of these forces - jazz, superstition, and manifold others - for use in the cold war is one of the major tasks facing KUCAGE and its indigenous instrumentalities. Shrewd American businessmen profitably spend \$10 billion a year to influence and persuade. They have accumulated a body of experience and skills more effective than similar efforts anywhere else in the world. If this can be brought to bear, KUCAGE may be able to show that the monolithic and inflexible Moscow Marxist thought system can be attacked, and eventually destroyed, through exploitation of the manifold and indeterminate characteristics peculiar to Western democracy.

i. The above thoughts are included in the "Situation" section of this outline because, although applicable to the German scene in general, they represent specifically analyses of the situation, its development, and the approach taken by MCCASSOCK. As such they are an integral part of an outline which describes a project and what can be expected of it.

j. As of November 1956, a number of significant changes in Germany are within the realm of possibility: Elections in Fall 1957 may bring a new government significantly different from that of Chancellor Adenauer. Plans are currently under discussion for declaring West Berlin the capital of West Germany and for moving certain components of the government - including the Federal Ministry for All-German Affairs - to West Berlin. Recent events in Poland and Hungary also suggest consideration of the consequences of reunification of a neutralized Germany.

k. In the face of such uncertainties and traditional political unreliability, the establishment in Germany of sources of healthy democratic influence is an objective which transcends tactical victories in the struggle with Communism and the eventual achievement of reunification. In fact, the need may be considerably greater after foreign troops have withdrawn from German soil and new maneuverability is accorded to extremism and nationalism.

l. Attempts are being made (which have reasonable expectation of success) to establish LOCCASSOCK on a basis which will survive not only any changes in the West German and West Berlin governments, but also the major reorganization which would come with reunification and an entirely new government. This basis has two aspects: The first is the maintenance of independence from governmental and other organizations. While cooperating constructively with any person or group with similar objectives, it has not become identified with any organization likely to disappear in the course of future events. Secondly, its existence is to be dependent on its purely commercial foundations, acceptance of its function, ability to provide genuine service, and endorsement by personalities whose influence will continue through all foreseeable changes. It is hoped, therefore, that LOCCASSOCK can continue to exist as an OBYKKE asset after withdrawal of military forces from Germany and significant changes in the present operational framework.

#### 4. PROPOSAL:

It is proposed that KUBARK continue to subsidize and direct the activities of LOCCASSOCK.

5. OPERATIONAL OUTLINE:

a. Sub-proposals or tasks: KUBARK will subsidize, direct, and otherwise support the following activities of LOCCASOCK:

- (1) The quarterly production and distribution of each of four publications (two magazines and two newspapers in approximately 20,000 copies each), overtly attributed to the LOCCASOCK publishing house, CARDINALE.
- (2) Experimentation and development of persuasion techniques through the medium of newsletter-type publications. This is a series of relatively small publications ("The Targeted Letter Series") conceived by the LOCCASOCK staff and produced (usually in 1-10,000 copies) in the LOCCASOCK printing shop. Each (eight at present) publication manifests a specific approach to a specific audience (e.g. a publication on jazz designed for youth) and is continued so long as its effectiveness can be demonstrated.
- (3) Mailing operations originated within the German Democratic Republic (GER) and based on the propagandistic potential of GER publications in other Soviet Bloc areas.
- (4) The systematic cultivation of mail correspondence with readers of LOCCASOCK publications in the Soviet Bloc. When the number of reader correspondents reaches 6-700 (about 400 in mid-October and currently increasing at the rate of about 45 per month), other utilization, e.g. public opinion polls, is contemplated.
- (5) The exertion of influence in support of CDTUKE policy in the steadily growing circle of LOCCASOCK connections in press, political, and academic circles, and other appropriate exploitation of LOCCASOCK's growing reputation.
- (6) The conduct of tests of Soviet Bloc mail censorship effectiveness and the further development of techniques for this purpose.
- (7) The conduct of ad hoc operations made appropriate by current events and approved on an ad hoc basis by KUBARK.
- (8) Systematic analysis of the Soviet Bloc press with a view toward evaluating the Western KUCAGE effort, toward analyzing policy in terms of propaganda output, and toward determining specific KUCAGE vulnerabilities.
- (9) Development of new KUCAGE approaches and techniques and the encouragement (as approved by KUBARK) of experimentation therewith by appropriate

instrumentalities. (This is a function analogous to General Research by a large corporation. Possibilities currently under consideration are the use of unbreakable phonograph records and the use of advertising samples for EUCAME purposes.)

(10) The training and development (principally of the "on-the-job" variety) of personnel assets, skilled in the analytical, imaginative, and operational techniques of cold warfare.

(11) The maintenance of appropriate overt organizations, established and operated in strict accordance with pertinent laws and regulations, which are necessary and appropriate in accomplishing the above tasks. The LOCASOCK organization has two components:

(a) CAPERNAIE is the publishing house to which the four major LOCASOCK publications are attributed and which overtly receives financial donations from the PEPRIDE organization of anonymous donors through which KIBARK financial support is channeled.

(b) CARLAEON is an advertising agency (registered as a sole proprietorship in the Principal Agent's name) which conducts other overt LOCASOCK activities, not appropriately attributed to a publishing house.

b. Key Personnel:

(1) CARLIER, the project's Principal Agent, is chief and directing force of the LOCASOCK organization. He is 39 years old, born and educated in East Prussia. In April 1937 he enlisted in the German Navy and had become a U-boat officer before the outbreak of the war two years later. He distinguished himself in a series of assignments as U-boat School Instructor, on Fleet Staffs, and at sea. At age 25 he was commanding his own crew and, in acknowledgment of his ability, was later charged with battle testing of sound-lining torpedoes and other newly developed devices. After sinking of five destroyers in one operation, he was awarded the Ritterkreuz (Knight's Cross) on 24 July 1944. At the conclusion of the European war, he surrendered his boat and crew to the British in Norway.

While interned as a prisoner of war (1945-1948), CARRIER went through the psychological development which has determined his basic motivation and ambitions: Being well supplied with current newspapers, he realized for the first time the nature and scope of the Nazi hoax. In anger and chagrin, he resolved to spend his foreseeable future studying politics, dedicated to the cause of preventing the ascendancy of any other Nazi-like movement. He studied as much as possible under the circumstances and, after his release in 1948, went to Berlin, bent on pursuing his convictions through a career in journalism.

For several years he worked in various Berlin organizations dedicated to combatting Communism, while deriving his basic income from writing as a freelance journalist. Unwittingly he cooperated for a short period with a French intelligence operator until he became aware of the circumstances and broke off the contact. He dealt on a fairly overt basis with a British publicist in the employ of the UK government until the latter left Berlin. In the course of these activities he developed a small editorial organization, particularly capable of producing apt falsifications of Communist publications. He sought financial support for the production and distribution of these publications and - on an ad hoc basis - received it from GEFLOWAGE, CAMASH, and KUBARK. KUBARK exploitation of the organization increased steadily from mid-1952 and it was formally documented as Project LCCASSOCK in March 1954.

CARRIER now represents the results of a brilliant mind applied continuously for eight years to the theory and practice of political warfare directly on the scene (Berlin) of one of the most significant East-West meeting places in the world. (By way of independent evaluation, he it noted that the Defense Ministry of the German Federal Republic has offered CARRIER a position in the new German Navy with the rank of Captain - a position which would virtually assure his eventual accession to the rank of Admiral. CARRIER, true to the convictions he developed while a prisoner of war and encouraged by the progress of LCCASSOCK to date, turned the offer down.)

(2) CALDERO, 31 years old, is distantly related to Annadora Leber - the widow of Julius Leber, one of the SPD (Social Democratic Party of Germany) martyrs executed by the Nazis during World War II. He has attended Berlin's School of Formative Arts, studied in the United States for two years, and in 1950 joined the Political Staff of the American supported newspaper in Berlin, Masse Zeitung. After the paper was closed down by the Americans, CALDERO joined LOCCASSOCK in March 1953. He is a member of the Berlin SPD and a Catholic. He is a friend and confidant of Willi Brandt (whom he has acquainted and impressed with the work of LOCCASSOCK), one of the two most likely successors of West Berlin Mayor Otto Suhr. In editorial, liaison, and political analysis, CALDERO has demonstrated the skill and imagination characteristic of a good publicist. CALDERO regards him as the most advanced and versatile of the LOCCASSOCK staffers, the best candidate for increased responsibility.

(3) CAUTERY is sixty years old, has a successful career in the German criminal police behind him, and is provided for by a comfortable pension. Although not directly involved, he was arrested in connection with the assassination attempt on Hitler on July 20th 1944 and is now a member of the "Kuratorium des 20ten Juli." As an expert on security, he was employed by OBERKE in various capacities after the war. He was charged in 1948 with responsibility for the physical security of goods landed at Tempelhof Airport by the Berlin Airlift. Subsequently he was employed by KUBARK in KIRPINE and RHECAP capacities. In 1953, he was turned over to LOCCASSOCK to supervise and tighten up its security practices. Since that time, the tendency of LOCCASSOCK to decrease emphasis on clandestine operations and the increasing need for the establishment of a firm base of legality and public acceptance have been determining factors in the development of CAUTERY's position. He is now acting as LOCCASSOCK's Public Relations Officer - a function for which he is well suited and which he particularly enjoys. Being a retired civil servant with considerable rank (Oberregierungsrat), he makes an excellent impression on German officialdom and has achieved a measure of cooperative support for LOCCASSOCK which could not, normally, have been expected. One example of his

successes is the active cooperation of postal officials in the mailing of LOCCASOCK publications and the maintenance of more than 100 cover addresses in West Germany and Berlin.

(4) CALORIMETER is 37 years old and chief editor of LOCCASOCK's CARDINALE publications. Since World War II, he has been employed by COTTON as an interrogator, worked as a reporter and editor on the weekly newspaper "Sie" ("She"), was a member of the staff of Northwest Deutscher Rundfunk (Northwest German Radio) (NDR), and a free-lance reporter for such newspapers as Die Welt. In 1951 he became active in projects sponsored by GEFLOWAK and KUBARK. He met CAERIER in this connection. In May 1952, he became a Section Chief in CAERIER until he was fired a year later. At this time he began working for CAERIER on a free-lance basis. CALORIMETER is well-liked by his associates and his editorial ability is questioned by few, if any. His failing, however, has been alcohol and a tendency to talk too freely. He has been sentenced three times for driving while intoxicated (the last offense being September 1955) and indiscretion was responsible for his dismissal from CAERIER. He has been on the verge of dismissal from LOCCASOCK for the same reason. CAERIER has put up with these failings in hopes of capitalizing on CALORIMETER's editorial and representational talents and, while employing him in overt capacity, training him toward discretion and restraint. Praise accorded to CARDINALE publications by experts is testimony to his ability. And, with a knock on wood, CAERIER reports that he is showing gratifying signs of increased maturity. There is now a possibility that CALORIMETER's professional talents will be confirmed by a high-salaried offer from a commercial publishing concern.

(5) CASATA is 32 years old, Berlin correspondent for two West German newspapers (total circulation: ca. 500,000), and a steady contributor to LOCCASOCK publications. She married CAERIER in January 1949 and - in spite of their divorce five years later - they maintain a continued close professional and personal relationship. Aside from the high quality of her written contributions, she serves as advisor, sometime political action asset, and LOCCASOCK's most immediate access to press circles.



(6) CARICAN is 40 years old, returned to Germany in October 1955 after 10 years as a prisoner of war in Russia. He was born in Latvia, and after completion of a classical education was naturalized and pressed into service of the Germany army, where he worked as a driver and later in intelligence. While interned in Russia, he thoroughly familiarized himself with Communist philosophy, Russian literature, and insofar as possible, with Soviet customs and practices. Before his return to Germany, he was forced to agree to work for the NDB and make arrangements to receive a "contact man" after he was resettled. (Arrangements have been made to intercept this contact, if and when he appears.) He has a fluent command of Russian, Latvian, and German, speaks Ukrainian and Georgian fairly well, and has school knowledge of English. In many senses, he qualifies as an expert on the USSR. He was spotted by CARATA in the returnee stream and characterized as a type similar to CARRIER - disillusioned with his past and determined to spend his future in constructive pursuits. He was tentatively hired to analyze the USSR press and, after a trial period, became an LCCASOCK employee. He has shown excellent journalistic aptitude and, according to CARRIER, promises to become an outstanding political analyst and publicist. He is currently acting as CARRIER's secretary.

c. Indigenous Groups:

(1) Functionally, the LCCASOCK organization can be broken down into eight components:

- (a) Operational Analysis, Direction, and Planning
- (b) Editorial Production
- (c) Printing
- (d) Mailing
- (e) Testing of Soviet Bloc Cameraship
- (f) Correspondence with readers in Soviet Bloc
- (g) Courier Distribution
- (h) Public (West Berlin) Sales
- (i) Liaison and Contacts

(2) These functions are carried out from four offices located in various sections of West Berlin:

(a) The main office is located on Kurfuerstendamm, containing CAUBERT's office, and the CARDINALE editorial staff. It is the overt address of CARLSON and CARDINALE and is used for representational purposes.

(b) The Mail Controls Office develops, implements, and evaluates the various techniques used by LOCASOCK to test the effectiveness of the mail distribution channel.

(c) The "Customers' Office" maintains files and conducts correspondence with Soviet Bloc readers. Staffers responsible for maintaining contact with hand distributors and for the conduct of public sales are also located in this office.

(d) The Printing Shop includes an automatic "Original Heidelberg" 26 x 38 cm. book printing press, plus appropriate type and typesetting equipment, a mimeograph and other smaller machines. (With the exception of CARDINALE publications, nearly all LOCASOCK items are printed in this shop.) In an adjoining room, publications are prepared for mailing and appropriate addressograph equipment is maintained.

(3) The personnel complement consists of 28 salaried employees, twelve men and sixteen women. In addition, LOCASOCK publications are mailed by 22 persons in various parts of West Germany. For the most part they are personal friends of CAUBERT, CAUBERT, and other LOCASOCK personnel who offer their services on the basis of friendship and ideological motivation and are compensated for expenses only.

(4) A significant proportion of the LOCASOCK "team" consists of persons regularly employed on a contract, free-lance, and part-time basis. This group includes printers, the firm which prepares high-quality cliches for CARDINALE publications, advisers on graphic art, journalists, and other professional writers.

(5) On a fairly flexible basis, LOCASOCK is currently utilizing eight hand distribution groups for clandestine distribution of up to 10,000 per month of its publications in East Germany. The groups operate for a standardized fee on an

autonomous basis so that LOCASOCK does not bear direct responsibility for their security. The effectiveness of their distribution is regularly tested by control procedures and by the steady recruitment of reader correspondents. (Contact with these groups is the only remaining aspect of LOCASOCK activities which requires consistent observance of clandestine tradecraft.)

**d. Target Groups:**

(1) CARDINAL publications are targeted, ~~competitively~~, at women, the intelligentsia, the small business man and others interested in economic developments, and the less intelligent types to whom a boulevard newspaper appeals. Audiences chosen for items in the Targeted Letter Series are more specific, e.g. party functionaries, the East German National Peoples' Army, barbers and hair-dressers, justices of the peace, etc., etc.

(2) The principal target is the Communist German Democratic Republic. In addition to the cultivation of correspondence with German minorities in the Soviet Satellites (Paragraph e. (3) above), a program of direct mailing operations against the satellites is being developed.

(3) Persons of significance in political, press, and academic circles in Western Europe. Friendly professional contacts have also been established in France, Switzerland, and Austria and will be cultivated as deemed appropriate by KUBARK.

~~Duration:~~ Indefinite

**f. Graphic Illustrations: NA**

**6. SECURITY:**

**a. Cover:**

(1) The concept of cover is applicable to LOCASOCK only insofar as its financial relationship to KUBARK and the basic principle of plausible denial are concerned. The recently established funding channel which provides for financial support of CARDINAL by an anonymous private group of FRPRDE donors is regarded as adequate for this purpose.

(2) Precautions are observed to avoid surveillance of contacts between the KUBARK field case officer and LOCASOCK personnel. No cover is utilized.

(3) No explanation for LOCASOCK's source of support is offered to the general public. Those who are interested are left to assume that it originates in Western Europe and/or PEPREK. In non-Communist circles aware of a portion of its activities, the existence of, and the need for, LOCASOCK is readily accepted and approved.

**b. Knowledgeability:**

(1) GARNIER and CAUENRY are fairly certain that LOCASOCK's source of support is OUYER, and guess that it is KUBARK.

(2) Other LOCASOCK personnel guess with varying degree of certainty that OUYER and possibly NEUROFENS support LOCASOCK.

(3) The West Berlin and West German governments and ODACED are knowledgeable of OUYER's interest in LOCASOCK.

**c. Operational Security:**

(1) All personnel employed by LOCASOCK have been name traced and - with the exception of persons employed on part-time basis in overt capacity - have received, or have applications pending for, operational approval. Although the LOCASOCK staff activities are not discussed in public, their nature is not a matter of security information. The principles of discretion applicable to a normal publishing or advertising firm are carefully observed. Clandestine tradecraft finds application - as far as LOCASOCK operations are concerned - only in the contacting and checking of hand distribution group leaders.

(2) Standard operational security precautions are observed with respect to all contacts between LOCASOCK and KUBARK personnel.

**d. Risks:** The possibility that LOCASOCK employees might be kidnapped from West Berlin or that couriers could be caught distributing LOCASOCK products in denied areas represent the principal risks. Because LOCASOCK distributes its products and corresponds with their readers on an indiscriminate (as far as political convictions are concerned) basis, and because the offices contain no security

information, the threat of penetration or simple burglary on the LOCCASOCK premises does not represent a security risk. The risk of significant unfavorable press or other publicity is extremely remote, largely because of general public acceptance of the LOCCASOCK function and the steadily growing circle of press and political personalities familiar with and sympathizing with LOCCASOCK activities. Plausible denial of GUTKNECHT responsibility for LOCCASOCK is provided for by the funding channel through which all financial support is passed to LOCCASOCK by "anonymous private FREEDOM donors."

c. Personnel Disposal:

(1) Of all the persons connected with LOCCASOCK - employees, free-lance contributors, contract firms and employees, part-time employees, hand distribution personnel, and the West German sellers - there are few if any who could not find satisfactory employment in the event of LOCCASOCK termination. The journalistic reputation of the key personnel is steadily growing and would probably guarantee their absorption by commercial publishing concerns. Other employees are governed by the pertinent German laws, the most significant provision of which is a three months notice requirement. The covert distribution groups, as noted above, operate on an autonomous basis. Cessation of their employment by LOCCASOCK would not leave them without income.

(2) Assuming termination in a friendly atmosphere, LOCCASOCK personnel do not represent a security risk. If certain key personnel were determined to embarrass GUTKNECHT after their termination, their prestige might afford their public statements a degree of resonance. This, however, is an extreme and unlikely possibility and, even in this case, the key personnel would not be able to prove a connection with GUTKNECHT.

f. Disaster Plan: Transfer of key personnel involved in this operation and the abandonment and/or destruction of materials of possible security significance in the event of a hot war will take place in accordance with the SEJAFUL disaster plan.

7. COOPERATION:

a. Relation to other Programs: Organizationally, LCCASOCK is not tied into or otherwise related to other KREBOK projects. Over a period of years, however, it has been demonstrated that the KREBOK effort is enhanced by constructive exchanges of experience and skills among the various persons concerned. Also, ad hoc operations which involve the cooperation of one or more groups are occasionally undertaken. It is therefore current policy to encourage cooperation among the KREBOK organizations, to observe its development, and to intervene only when deemed advisable by KREBOK.

b. Significance within over-all program in area:

(1) The program in West Berlin for psychological operations into East Germany and the Satellites can be briefly described as the two radio stations, a television station (which generally carries European network broadcasts, i.e. not edited particularly for East German consumption), and about ten overtly organized groups of varied political and social complexion which conduct activities in the Soviet Bloc along lines endorsed by their sponsors. Generally, these activities consist of

- (a) receiving East German visitors to give aid and advice and to collect information,
- (b) conducting espionage and other clandestine operations,
- (c) distributing printed matter,
- (d) exerting political influence in both East and West, and
- (e) disseminating information to Western security services and public information media.

(2) As one of these groups, LCCASOCK is of particular significance for the following reasons:

- (a) It is one of KREBOK's most influential assets within West Berlin press circles.
- (b) Its Principal Agent and the LCCASOCK staff have demonstrated outstanding talent for combining political analysis with imaginative publicity techniques. On a fairly academic

basis they are developing new knowledge on "The Art of Cold Warfare" and, with KUBARK supervision and support, gathering a valuable body of experience in practical applications.

(c) Independent of political, commercial, and confessional interests, LOCASOCK is in position to apply itself directly to the Western cause, as interpreted by KUBARK and LOCASOCK personnel.

(d) LOCASOCK shows promise of being one of the most viable of the KUBARK assets in West Berlin. Clandestine activities - which are frequently distasteful to the public - have been reduced to the point of near insignificance. The organizational base, an advertising agency and a publishing house, provides a normal, legal framework for participation in public life which is well suited to LOCASOCK's objectives and activities. Its ability to be of genuine service, i.e. in providing ideas and advice, has been responsible for the turning to LOCASOCK by significant politicians and journalists for help with the solution of certain problems. Finally, in an atmosphere where the necessity for combatting Communism is accepted without question, LOCASOCK is establishing a reputation for political integrity and skill which guarantees it a steadily growing base of good will.

(3) LOCASOCK is cultivating contacts with editorial offices of various Western European newspapers of high standing. It is hoped, eventually, to enlist their cooperation in Europe-wide operations - a contingency which would mean substantial expansion of the "area of operations."

c. Extent of coordination:

(1) The project was originated by SOJARFUL and has been coordinated with all appropriate KUBARK components at Headquarters.

(2) Coordination and cooperation of LOCCASOCK with other KREBARK activities are directed by the Berlin Base. For example, the case of a possible contact to GREGGIAN (5b (6) above) by the RIS has been coordinated with, and would be handled by, the Soviet Section of the Berlin Base.

(3) Cleared personnel of GEMACIB have been orally briefed on the purposes and activities of the project.

(4) Key individuals in the Federal Republic and West Berlin governments have been informed of FERRINE interest in LOCCASOCK, and general policies affecting certain KREBARK-sponsored LOCCASOCK activities.

(5) Key LOCCASOCK personnel maintain contacts with various components of the West German and West Berlin governments and with GEMACIB personnel in Berlin and Bonn. They are occasionally utilized for political action and/or coordination of activities. This does not impair KREBARK control over LOCCASOCK nor does it interfere with its mission.

### 8. CONTROL:

#### a. Nature of:

(1) Direct control is exercised by the Berlin Base through administration of the financial subsidy and through discussion of all phases of operations and policy. Secondary control is exercised by SOJANFUL, final control by Headquarters.

(2) In practice, control is exercised through lengthy weekly discussions between CARRIER and the Case Officer in which - over a period of years - general agreement has been achieved on nearly all aspects of operations, objectives, and policy. Within this framework, the Principal Agent is afforded maximum independence in order that timely action can be taken in new situations. He and the staff are encouraged to do their own analyses and to develop their own ideas with the result that their proposals are generally further developed with respect to Germany than the broad lines of KREBARK policy. Thus, direct exercising of control, when necessary, is usually negative.



(3) With very rare exception KUBARK direction of the project takes place in open discussions which lead to agreement, rather than simple giving of instructions.

b. Administrative plan: The revised administrative plan for LOCASOCK was approved on \_\_\_\_\_.

c. Reports: The usual requirements, as outlined in KUBARK regulations, apply to this project. Reports on all aspects of LOCASOCK activities are consolidated by the Principal Agent and submitted to the Field Case Officer for transmission through SOJASOUL to Headquarters.

9. BUDGET DATA:

a. Total KUBARK funds required for FY 1957: \$[ ]

(LOCASOCK is currently operating at the ceiling of the \$[ ] which has been authorized within FY '57 KUCAGE program for Germany. Increasing the allotment to the above figure would permit i) placing each of the four CASIDIALE publications on a quarterly basis, as opposed to the one-a-month schedule now in effect; and ii) further development of special ideas such as unbreakable phonograph records as a KUCAGE medium, and the use of advertising samples in psychological operations.)

b. Availability of Funds: KUBARK funds in the amount of \$[ ] have been authorized for LOCASOCK within the KUCAGE program for Germany for Fiscal Year 1957.

c. Non-KUBARK Funds: KUBARK is the sole financial supporter of LOCASOCK. The proceeds from public sales of LOCASOCK publications are applied against the costs of the project.

d. Foreign Currency: Not Applicable

e. Funding: See Section ( ) of the Administrative Plan. The cover source of LOCASOCK funds is "an anonymous group of private FREUDEN donors," which places funds in a FREUDEN bank for transfer to the CASIDIALE Gebel account at a bank in West Berlin. Actually, the funds are sterily placed in the bank by KUBARK.

f. Financial history:

(1) Fiscal Year 1954 - (Not available at HSB; Headquarters please fill in.)

(2) Fiscal Year 1955 - Allotted: \$       ; Expended: \$      

(3) Fiscal Year 1956 - Allotted: \$       ; Expended: \$      

g. Future Requirements: It is anticipated that a total of \$       will be required for Fiscal Year 1958.

10. SUPPORT DATA:

a. Total KUBARK Personnel: Total KUBARK personnel necessary for this project are one field and one Headquarters case officer on a part-time basis. These personnel are currently available.

b. Material: Not Applicable

c. Communications: No communications facilities beyond those now available to the KUBARK SOJANFUL are necessary.

d. Other KUBARK Support: Not Applicable

e. Support from other FIVEKRE agencies: No support from other FIVEKRE agencies is required other than that presently available to the KUBARK SOJANFUL.

11. GENERAL CONSIDERATIONS:

a. Current Status: Approved and operated under original project outline.

b. Commitments:

(1) Although no written commitments have been made, it is understood by the LOCASOCK key personnel that if - as a result of their LOCASOCK activities - they are forced to leave Berlin or to bear other abnormal hardship, that KUBARK would provide reasonable assistance in equalizing the burden. In the event of a necessity for resettlement, this would probably involve a resettlement bonus, transportation for the employee and his immediate family to the resettlement area, and possibly assistance in finding a new job. In addition, should any of these personnel be kidnapped or otherwise rendered incapable of supporting his family because of LOCASOCK activities, KUBARK would assume responsibility for reasonable support of his family.

(2) Commitments to other LOCASOCK personnel are described by German Law relating to employment of salaried workers.

SECRET

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(3) The cover story on which the funding of LOCASOCK is based includes an agreement that financial support of CARRIER can be terminated on six months' notice.

c. Effectiveness:

(1) The progress made by the LOCASOCK staff in studying "cold warfare" and in developing techniques is demonstrated by the studies, essays, analyses, and reports which it frequently prepares. They conform with the highest standards of journalism and many can be favorably compared with academic works in the field.

(2) Documentary evidence of the effectiveness of operations is constituted by the files of active correspondence which LOCASOCK maintains with readers of its publications in the Soviet Bloc. There are, at present, about 500 such files - mostly East German readers, but including correspondents in Poland, Czechoslovakia, Hungary, Rumania, and the USSR. At the present level of operations, this file is growing at the rate of about 45 per month.

(3) Other documentary evidence is provided by the Soviet Bloc press, in which numerous ideas and techniques publicized by LOCASOCK have been picked up and adapted by Eastern journalists for their own use. (Two original texts which were introduced by LOCASOCK have been reprinted verbatim, one in Budapest, the other in Prague.) The project has thus contributed appreciably to the recent trend toward "westernization" in the Soviet Bloc press.

(4) The journalistic reputation of LOCASOCK can be measured in terms of at least three results: First, a number of reputable and independent German journalists have come unsolicited to the staff in search of ideas and advice. Thus far, none has left unsatisfied. The best example is that of the correspondent of a Frankfurt/Main paper who was in Poznan, Poland, at the time of the June 1956 uprisings. Before leaving she had asked CARRIER for suggestions for topics on which she might interview and write. She took with her a list of 17 suggestions compiled by CARRIER. After the uprisings and her return to Berlin, she sought and received CARRIER's cooperation in writing each of the articles in her five-part series. The incident added to the standing of the correspondent and of

LCCASSOCK. Secondly, a number of reputable West European newspapers have expressed sympathy for the LCCASSOCK cause and provided material for its use. The cooperation is proving mutually beneficial and the circle of contacts gradually expanding. Thirdly, the pursuit of democratic and ethical objectives, uncolored by partisan, commercial, or confessional interests, has attracted the cooperation of first-rate journalists and graphic arts experts who - although their works would bring higher compensation and wider distribution if published by commercial concerns - derive moral satisfaction from contributing to the LCCASSOCK cause.

(5) Aside from representing political action potential, the growing circle of West German government employees which endorse LCCASSOCK activities is testimony to its effectiveness. They include members of the Ministries of Foreign Affairs, Defense, Post, and All-German Affairs, The West German Special Delegate for Berlin Affairs, the Berlin Senator for Culture, the Berlin Prosecuting Attorney, and the President of the West Berlin House of Delegates.

d. Anticipated results:

(1) Based on an increasing reservoir of experience, on constant study of methods and techniques of cold warfare, and on experimentation with new ideas and approaches, it is expected that LCCASSOCK will continue to provide new knowledge on methods of encouraging true democratization of Soviet Bloc areas.

(2) Through distribution in the Soviet Bloc area of products of good Western Journalism, LCCASSOCK will continue to contribute to pro-Western sentiment and provide information and ideas which can be used by Satellite citizens against totalitarian oppression.

(3) By utilizing mail contacts, LCCASSOCK will eventually be in a position to conduct genuine public opinion polls within the Soviet Bloc. In addition to debunking Communist propaganda, they will be of considerable value to Western journalists and government officials.

(4) Based on the present trend, LCCASSOCK can be expected to establish mutually beneficial contacts with many of the well-regarded West European newspapers. It is hoped that such contacts can eventually be used to inspire coordinated mailing, and perhaps other, operations directed at the Soviet Bloc.

(5) It is expected that, as the LOCASSOCK reputation grows, increasing numbers of politicians and journalists will turn to it as a source of analyses, information, and ideas - thus substantially increasing its influence in these circles.

c. Evaluation: The effectiveness of the project will be evaluated by the following means:

(1) Close observation of correspondence with readers in the Soviet Bloc, with regard to both quantity and content.

(2) Continuous analysis of DNR and other Soviet Bloc press for reprints of LOCASSOCK material, adoption of LOCASSOCK ideas and techniques, and other signs of recognition by Soviet Bloc editors.

(3) Independent reports provided by KUPFER on the project's effectiveness.

(4) Directly observable effectiveness of LOCASSOCK in the West, e.g. in press, political, and academic circles.

(5) Occasionally, direct press attacks, surveillance, and recruitment attempts by the opposition confirm their animosity toward LOCASSOCK.

(6) Distribution effectiveness is demonstrated by a complex system of procedures to test Soviet Bloc mail censorship thoroughness. Other systems are used in connection with the mails to evaluate the work of courier distribution.

f. Policy questions:

(1) Although LOCASSOCK is occasionally the subject of policy discussions between KUBARK and HEBROFINS, and although it cultivates contacts with many government officials and actively cooperates with some, there is no organizational relationship between HEBROFINS and LOCASSOCK. Registration of CARLSON and incorporation of CARDINALS have been independently accomplished by CANTERY through exploitation of personal contacts and within a strictly commercial context. The funding arrangement was made with minimal HEBROFINS support. Thus, in contrast to certain other CANTERY organizations, LOCASSOCK enjoys a marked degree of independence from HEBROFINS. Assuming prudent coordination on the KUBARK/HEBROFINS level and the

continuance of LCCASOCK's hitherto successful public relations activities, it is hoped that KHRASK will retain exclusive control.

(2) Area of Operations: So long as HEGHOPING does not raise specific objections, LCCASOCK - while concentrating its efforts on the Soviet Zone of Germany - will include all areas of the Soviet Bloc in its mailing operations.

g. Congress: Not Applicable

h. Extra-Agency action: Not Applicable

i. Proprietary campaigns: Not Applicable

j. Special considerations:

(1) Both of LCCASOCK's legally registered instrumentalities - CARLADON and CARDINALE - represent a sound basis on which normal business could be conducted. They would provide a position among commercial enterprises in the event that exclusively political organizations dedicated to the Western cause become unacceptable in Berlin. As of November 1956, diversion for this purpose of LCCASOCK energies into purely commercial pursuits has not been necessary (and no such need is expected to arise at least until after German Federal Republic elections of Fall 1957). If or when this situation changes, the commercial sale of CARDINALE products is one possibility, the production on a contract basis of specific publications for various customers is another. CARLADON, too, could be developed in the direction of a bona fide commercial enterprise. It is already providing valuable advice to one prominent West Berlin politician on publicity and public relations. This service is worth a price and could be expanded on a business (instead of the current political action) basis. Its service and advice to newspaper reporters has also been appreciable, and its bi-weekly West Berlin Public Opinion Report has in it the basis of a newsletter which could become of considerable value to journalists and politicians.

(2) For more than seven years the LCCASOCK Principal Agent has applied himself and the staff to understanding and developing techniques of cold warfare in theory. At the same time they have enjoyed the privilege of experimenting with and applying their theories in practice in one of the most active areas of ideological conflict. The combination of a staff of well-qualified personnel plus the

growing store of valuable experience, plus the advantages of KUBARK guidance and support have contributed to an organization whose capabilities now transcend the mounting and conduct of operations in a relatively limited area and under close KUBARK supervision:

(a) They have developed their understanding of the ideological conflict with Communism to a point at which they can make constructive contributions to academic work in the field.

(b) They are capable of competent analysis of the psychological implications in Germany of world political and other events.

(c) Combination of the above skills with systematically developed imagination and originality has resulted in an ability to recognize trends at an early stage, to conceive ideas/operations for influencing them in a pro-Western sense, and to implement appropriate operations.

The LCCASOCK studies, essays, and suggestions will be submitted regularly to Headquarters and - as deemed appropriate by the Operating (OE) Division - to other KUBARK components for possible use.

(3) Since an LCCASOCK funding channel has been established which provides for plausible denial by GUYONE and for legal passing of funds to the project, it may be noted that KUBARK could exploit the project more efficiently if the Field Case Officer were under cover as a FERRIDE journalist, a representative of a FERRIDE advertising agency, or as an GRACED employee (e.g. a member of a QUENAGE staff).

k. Liquidation: Not Applicable

UNRECORDED ATTACHMENT TO MEMO-37114

**Identification:**

1. Extra
2. No Extra
3. Sewerage
4. No Sewer

**Distribution:**

- 3 - ME
- 2 - GDS
- 2 - BMS

11/11/77

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